

IML Final Distributions – June 2010

As distribution calculations have now been finalised, IML's Funds will be paying their final distributions for the year ended 30 June 2010, over the next few days.

Below we have set out a table showing the final 30 June distribution payable as well as the distribution paid for the financial year for each of our Equity Funds. A separate table attached gives the tax breakdown of the distributions.

FUND	APIR Code	June 30 Distribution (cpu)	Total Full Year Distribution (cpu)	Franking Level*
Australian Share Fund	IML0002AU	5.02cpu	8.02cpu	89.2%
Industrial Share Fund	IML0004AU	3.14cpu	5.14cpu	84.3%
Future Leaders Fund	IML0003AU	2.69cpu	4.69cpu	59.2%
Small Cap Fund	IML0006AU	0.84cpu	2.34cpu	94.3%
Smaller Companies Fund	IML0001AU	2.85cpu	5.85cpu	74.3%

* Franking Level based on total distribution

Some comments regarding the overall level of these distributions have been provided, which you may find helpful when talking to your clients.

1. The distributions overall are lower than last year's distributions as several companies held in the Funds cut their dividends compared to the previous financial year.
2. The majority of the 2010 financial year distributions do not include any capital gains components. However, the Future Leaders Fund does have some capital gains payable which is a function mainly of the sale of some shares due to takeover activity.
3. The franking levels of the distributions from our equity funds are in the main, well above the 50% level, which is significant for superannuation and non tax paying clients.
4. Our philosophy of avoiding speculative stocks and only investing in quality companies with the ability to produce recurring earnings and to pay dividends, has meant that our portfolios have continued to perform well over the last financial year with all our Equity funds all finishing the year ahead of their benchmark returns.
5. While our Funds have not been immune to the recent sharemarket weakness, we believe our portfolios continue to be well positioned to benefit from the opportunities that the current market volatility is producing.

The quarterly June reports for our pooled Funds will be issued by 14 July 2010.

We thank you for your ongoing support and we will continue to strive to deliver on your clients' expectations in 2010/2011.

Best regards,



Anton Tagliaferro
Investment Director

Fund	Components of full year Distribution (to 30 June 2010)			
	Dividend	Interest and other taxable income	Net capital gains	Tax deferred income
Australian Share Fund	74.57%	19.87%	0.06%	5.50%
Industrial Share Fund	72.43%	23.13%	0.00%	4.44%
Future Leaders Fund	56.70%	19.08%	17.91%	6.32%
Small Cap Fund	58.18%	23.35%	0.00%	18.47%
Smaller Companies Fund	72.04%	14.76%	1.28%	11.92%